

## Policy Brief.....May 8, 2001

### Contents:

#### Conference Report on H.Con.Res. 83 – Budget Resolution for Fiscal Year 2002

### Highlights:

#### Tax Relief:

- \$1.25 trillion over ten years (2002-2011) plus an additional \$100 billion that can be tapped anytime between 2001 and 2011
- One Reconciliation Bill

#### Discretionary Spending:

- \$661.3 Billion – 4.06% more than last year

#### Enforcement:

- Creation of an Emergency Reserve Fund -- Dropped
- Limitation on Advanced Funding to Avoid Budget Caps – Included Without the Senate Loophole

### Comparison of House, Senate, and Conference Report:

	House	Senate	Conference Report
<b>Tax Cuts</b>	1) \$1.62 trillion over ten years 2) Any summer bump-up in the surplus estimate can be used for additional tax relief 3) \$5.8 billion set aside in the current year 4) Four possible reconciliation bills	1) \$1.18 trillion over ten years 2) No summer bump-up provision 3) \$85 billion set aside in the current year 4) Two possible reconciliation bills	1) \$1.35 trillion over <u>eleven</u> years 2) Summer bump-up provision included, but only applicable in the House 3) No set-aside under reconciliation, but \$85 Billion included under allowances for Rebates 4) One possible reconciliation bill
<b>Medicare Presc. Drugs &amp; Reform</b>	\$153 billion over ten years plus access to an additional \$240 billion	Access to \$300 billion over ten years	Access to \$300 billion over ten years

<b>Defense Discretionary</b>	1) \$324.9 billion (+\$13.8 billion or 4.4%) 2) Access to additional funds in either the current year or for Fiscal Year 2002	1) \$334.8 billion (+\$23.7 billion or 7.6%) 2) No similar provision	1) \$325.1 billion (+\$14 billion or 4.5%) 2) Access to additional funds for FY 2002, plus an additional \$6.5 billion this year
<b>Non-Defense Discretionary</b>	\$335.7 billion (+\$11.3 billion or 3.5%)	\$353.6 billion (+\$29.2 billion or 9.0%)	\$336.2 billion (+\$11.8 billion or 3.6%)
<b>Total Discretionary</b>	\$660.6 billion (+\$25.1 Billion or 3.95%)	\$688.4 billion (+\$52.9 Billion or 8.3%) (Assumes \$11.4 Billion in Unspecified Offsets)	\$661.3 billion (+25.8 billion or 4.06%)
<b>Total Spending</b>	\$1,977.3 billion* (+70.4 billion or 3.7%)	\$2,051.1 (+\$144.2 or 7.6%)	\$2,005.2 billion* (+98.3 billion or 5.3%)
<b>Reserve Funds</b>	1) Reserve Fund for Emergencies -- \$5.6 B in FY 02* 2) Strategic Reserve Fund (Defense, Agriculture, Medicare, or Other Priorities)  3) FY 01 Reserve Fund for Defense, Agriculture, and Other Priorities 4) Reserve Fund for Special Education -- \$1.25 B in FY 02 5) No Similar Provision 6) No Similar Provision 7) No Similar Provision 8) House Allocations Provide Sufficient Funds to Enact Similar Legislation  9) House Allocations Provide Sufficient Funds to Increase GI Education Benefits 10) No Similar Provision	1) No Similar Provision 2) No Similar Provision 3) No Similar Provision 4) No Similar Provision 5) Reserve for Medicare Payments to Home Health Agencies -- \$13.7 B for FY 02-11 6) Reserve for Concurrent Receipt: Disabled Military Retirees -- \$40 B for FY 02-11 7) Reserve Fund for Refundable Tax Credits 8) Reserve Fund to Expand Medicaid Coverage for Families of Disabled Children -- \$8.3 B for FY 02-11 9) Reserve Fund for Veterans Education -- \$9.9 B for FY 02-11 10) Reserve for Mandatory PILT & Revenue Sharing -- \$3.7 B for FY 02-11	1) Not Included 2) House provision applies in the House, reserve fund for Defense Only in the Senate 3) Not Included 4) Not Included 5) Senate Language Included* 6) Not Included 7) Not Included 8) Senate Language Included* 9) Reserve Fund Not Included 10) Reserve Fund Not Included 11) Reserve Fund for Agriculture -- \$66.2 B for FY 03-11* 12) Reserve Fund for Student Loan Interest Rate Change -- \$6.6 B for FY 01-11 13) Reserve Fund for Health Insurance for the Uninsured -- \$28 B for FY 02-11*
<b>Enforcement</b>	1) Includes Language Limiting the Use of Advanced Funding to Avoid Budget Caps 2) Creation of Limited Use Emergency Reserve Fund	1) Contains Similar Language, But Provides a Loophole for "Capital Projects" 2) No Similar Language	1) New language similar to language adopted last year without major loopholes is included. 2) Not Included

\*Total Spending Includes The Expected Expenditure of Money Set Aside in Reserve Funds.

### Discretionary Budget Authority by Function

Function	FY 2001	President's Request	Percent Change	House FY 2002	Percent Change	Senate FY 2002	Percent Change	Conference Report	Percent Change
National Security	311.1	325.1	4.50%	324.9	4.44%	334.8	7.62%	325.1	4.50%
International Affairs	22.6	23.9	5.75%	23.9	5.75%	24.1	6.64%	23.2	2.65%
General Science, Space, & Technology	20.9	21.2	1.44%	22	5.26%	22.6	8.13%	21.4	2.39%
Energy	3.1	2.8	-9.68%	2.8	-9.68%	3.6	16.13%	3.3	6.45%
Natural Resources & Environment	28.7	26.4	-8.01%	26.4	-8.01%	29	1.05%	29.7	3.48%
Agriculture	4.8	4.8	0.00%	4.8	0.00%	4.9	2.08%	5	4.17%
Commerce & Housing	1.4	-0.3	-121.43%	-0.2	-114.29%	0	-100.00%	2.5	78.57%
Transportation	19	16.8	-11.58%	16.2	-14.74%	17.1	-10.00%	19.7	3.68%
Community and Regional Development	11.6	10.4	-10.34%	10.1	-12.93%	11.2	-3.45%	11.9	2.59%
Education, Training, Employment, & Social Services	61.2	65.4	6.86%	65.3	6.70%	74.9	22.39%	64.4	5.23%
Health	38.8	41	5.67%	41	5.67%	46.1	18.81%	39.8	2.58%
Medicare	3.4	3.5	2.94%	3.4	0.00%	3.4	0.00%	3.5	2.94%
Income Security	39.5	42.8	8.35%	42.8	8.35%	46.3	17.22%	44.8	13.42%
Social Security	3.5	3.5	0.00%	3.5	0.00%	3.5	0.00%	3.6	2.86%
Veterans	22.5	23.5	4.44%	24.2	7.56%	26.2	16.44%	23.5	4.44%
Administration of Justice	30	29.8	-0.67%	29.7	-1.00%	31.2	4.00%	31.3	4.33%
General Government	14	14.8	5.71%	14.8	5.71%	14.8	5.71%	14.6	4.29%
Allowances		5.3		5		-5.4		-6	

### Discretionary Budget Authority Summary

	FY 2001	House FY 2002	Percent Change	Senate FY 2002	Percent Change	Conference Report	Percent Change
<b>Defense</b>	311.1	324.9	4.44%	334.8	7.62%	325.1	4.50%
<b>Non-Defense</b>	324.4	335.7	3.48%	353.6	9.00%	336.2	3.64%
<b>Total Discretionary</b>	635.5	660.6	3.95%	688.4*	8.32%*	661.3	4.06%

\*The Senate Budget Resolution assumes \$1.4 Billion in unspecified offsets.

Excluding these offsets, Discretionary Spending would total \$699.8 Billion, \$64.3 Billion or 10.11% more than last year.